

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF GENERATORS (HS CODE 8502.1120, 8502.1130, 8502.1190, 8502.1200, 8502.1310 & 8502.2000) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 869/2016)

No. Misc/12/2007-VII (part-III)/9466

Dated: 10-06-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Generators are determined as follows:

2. Background of the valuation issue: The Customs values of Generators were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 356/2011 dated 19-07-2011 and its Amendment dated 29-08-2011. A number of representations were received to determine the customs values afresh in the light of existing international market prices. Accordingly, customs values of Gasoline (Petrol) Generators (low-end brand) of China origin were determined by issuing Valuation Ruling No. 569/2013 dated 12-07-2013. A number of representations have again been received from the importers of Generators wherein they have agitated that values in the international market have considerably gone down and that existing valuation ruling does not reflect correct international prices. Therefore an exercise to determine customs values of Generators afresh in terms of Section 25-A of the Customs Act, 1969 was initiated.

3. Stakeholders' participation in determination of Customs values: A meeting for the determination of customs values of Generators with stakeholders was scheduled on 07-03-2016. The meeting was attended by a number of importers, including representatives of M/s Greaves Pakistan (Private) Limited, M/s. S.M. Jaffar, M/s. Allied Engineering, M/s. Base Ten International.

4. During the course of meeting, the importers were of the view that the values of European origin generators were determined on much higher side in the earlier valuation ruling, resultantly imports from European origins was stalled and such generators became uncompetitive in the local market. This segment of market was taken over by old and used generators' import. Ms Base Ten International contended that bifurcation of generators between two types, i.e. 'unknown brands' and 'Denyo' brand was not only illogical but materially incorrect as well. They contended that values of Japanese origin Diesel Generators brands as unknown brands determined earlier, were on lower side, whereas their Denyo brand was determined on significantly higher side. As the prices of most of the Japan origin generators are more or less the same in the local market, therefore they were at huge disadvantage. M/s Greaves Pakistan Pvt. Ltd. contended that due to recession and economic slowdown, especially in France, the prices of Generators are consistently showing downward trend therefore it is imperative to review the values of Generators keeping in view the international prices of this commodity.

5. During the meeting the participants were request to submit documents, record and other evidence in support of their arguments. Despite a lapse of considerable time, the importers have not submitted the requisite documents barring a few who only submitted partial record.

6. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Generators. Transaction value method provided in Section 25 (I) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values

of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted which gave most of the generators bought and sold in the local market. The generators of some specifications were not readily available in the market; therefore, different markets were surveyed repeatedly. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Generators have been determined under Section 25(9) of the Customs Act, 1969.

7. Customs values for Generators: Generators *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

Table-A

S. No.	Description				Customs value US\$/Per Set		
		PCT	Proposed PCT for WeBOC	Origin	(A)	(B)	(C)
	Petrol Generators						
1.	650 TO 800 WATTS PETROL	8502.2000	8502.2000.1000	China	88	69	63
2.	1.1 TO 2 KVA PETROL	8502.2000	8502.2000.1100	China	128	100	92
3.	2.1 TO 3 KVA PETROL	8502.2000	8502.2000.1200	China	224	175	161
4.	3.1 TO 4 KVA PETROL	8502.2000	8502.2000.1300	China	336	263	242
5.	4.1 TO 5 KVA PETROL	8502.2000	8502.2000.1400	China	448	350	322
6.	5.1 TO 6 KVA PETROL	8502.2000	8502.2000.1500	China	560	438	403
7.	6.1 TO 8 KVA PETROL	8502.2000	8502.2000.1600	China	773	604	555
8.	8.1 TO 9 KVA PETROL	8502.2000	8502.2000.1700	China	1085	848	780
9.	9.1 TO 10 KVA PETROL	8502.2000	8502.2000.1800	China	1288	1006	926
	Diesel Generators				Customs value US\$/Per KVA		
					(A)	(B)	(C)
10.	5 KVA TO 20KVA	8502.1120	8502.1120.1000	China	194	151	139
11.	21 KVA TO 50KVA	8502.1130	8502.1130.1000	China	174	136	125
12.	51 KVA TO 75 KVA	8502.1190	8502.1190.1000	China	174	136	125
13.	76 KVA TO 150 KVA	8502.1200	8502.1200.1000	China	157	123	113
14.	151 KVA TO 250 KVA	8502.1200	8502.1200.1100	China	138	108	99
	Category-A: Yamaha / Honda						
	Category-B: Euro Power / Loncin / Lifon / Firman / Powermac / Elemax Honda / Green Power / Olympia						
	Category-C: Lianglong / Rato /Jasco / Rockmen / Green Max						

Table-B

S. No.	Description				Customs value Japanese Yen /Set	
		PCT	Proposed PCT for WeBOC	Origin	(A)	(B)
	Petrol Generators					
1.	650 WATT TO 800 WATT	8502.2000	8502.2000.1900	Japan	28078	25070
2.	1 KVA TO 1.5 KVA	8502.2000	8502.2000.2000	Japan	35098	31338
3.	1.6 KVA TO 1.9 KVA	8502.2000	8502.2000.2100	Japan	41377	36944
4.	2 KVA	8502.2000	8502.2000.2200	Japan	39928	35650
5.	2.1 KVA	8502.2000	8502.2000.2300	Japan	45402	40538
6.	2.2 KVA	8502.2000	8502.2000.2400	Japan	54740	48875
7.	2.3 KVA TO 2.7 KVA	8502.2000	8502.2000.2500	Japan	64400	57500
8.	2.8 KVA	8502.2000	8502.2000.2600	Japan	66010	58938
9.	2.9 KVA TO 3.2 KVA	8502.2000	8502.2000.2700	Japan	67620	60375
10.	3.3 KVA TO 3.8 KVA	8502.2000	8502.2000.2800	Japan	70840	63250
11.	3.9 KVA TO 4 KVA	8502.2000	8502.2000.2900	Japan	72450	64688
12.	4.1 KVA TO 5 KVA	8502.2000	8502.2000.3000	Japan	95956	85675

13.	5.1 KVA TO 5.6 KVA	8502.2000	8502.2000.3100	Japan	98532	87975
14.	5.7 KVA TO 8.5 KVA	8502.2000	8502.2000.3200	Japan	168889	150794
15.	8.6 KVA TO 10 KVA	8502.2000	8502.2000.3300	Japan	188370	168188
Customs value Japanese Yen /Set						
	Diesel Generators				(A)	(B)
16.	5 KVA TO 8 KVA	8502.1120	8502.1120.1100	Japan	201250	179688
17.	8.1 KVA TO 8.4 KVA	8502.1120	8502.1120.1200	Japan	210910	188313
18.	8.5 KVA TO 10.5 KVA	8502.1120	8502.1120.1300	Japan	263637	235390
19.	10.6 KVA TO 12.5 KVA	8502.1120	8502.1120.1400	Japan	331016	295550
20.	15 KVA	8502.1120	8502.1120.1500	Japan	378350	337813
21.	15.6 KVA	8502.1120	8502.1120.1600	Japan	396060	353625
22.	20 KVA	8502.1120	8502.1120.1700	Japan	418600	373750
23.	20.5 KVA	8502.1130	8502.1130.1000	Japan	450800	402500
24.	30 KVA	8502.1130	8502.1130.1100	Japan	606970	541938
25.	35 KVA	8502.1130	8502.1130.1200	Japan	676200	603750
26.	37 KVA	8502.1130	8502.1130.1300	Japan	737000	658100
27.	50 KVA	8502.1130	8502.1130.1400	Japan	840000	750000
28.	65 KVA	8502.1190	8502.1190.1100	Japan	952000	849500
29.	80 KVA	8502.1200	8502.1200.1200	Japan	1037000	925900
30.	100 KVA	8502.1200	8502.1200.1300	Japan	1187000	1059800
31.	101 KVA TO 350 KVA	8502.1200	8502.1200.1400	Japan	10132 PER KVA	9210 PER KYA
Category-A: Denyo / Yamaha / Honda						
Category-B: Kubota / Nippon / Sun Dynamac / Sawafuji / Elemax Honda / Komatsu						

Table-C

S. No.	Diesel Generators (Denyo Brand)	PCT	Proposed PCT for WeBOC	Origin	Customs value Japanese Yen / Set
32.	8 KVA	8502.1120	8502.1120.1800	Vietnam / Indonesia	161000
33.	10.5 KVA	8502.1120	8502.1120.1900	Vietnam / Indonesia	211000
41.	12.5 KVA	8502.1120	8502.1120.2000	Vietnam / Indonesia	265000
42.	14 KVA	8502.1120	8502.1120.2100	Vietnam / Indonesia	282500
43.	20 KVA	8502.1120	8502.1120.2200	Vietnam / Indonesia	334880
44.	30 KVA	8502.1130	8502.1130.1500	Vietnam / Indonesia	485500
45.	37 KVA	8502.1130	8502.1130.1600	Vietnam / Indonesia	589600
46.	50 KVA	8502.1130	8502.1130.1700	Vietnam / Indonesia	672000
47.	65 KVA	8502.1190	8502.1190.1200	Vietnam / Indonesia	761600
48.	80 KVA	8502.1200	8502.1200.1500	Vietnam / Indonesia	829600
49.	100 KVA	8502.1200	8502.1200.1600	Vietnam / Indonesia	949600
50.	101 KVA TO 350 KVA	8502.1200	8502.1200.1700	Vietnam / Indonesia	YEN 8105 PER KVA

Table-D

S. No.	Diesel Generators	PCT	Proposed PCT for WeBOC	Origin	Customs value US\$/KVA	
					(A)	(B)
51.	01 TO 15 KVA	8502.1120	8502.1120.2300	Europe	380	340
52.	16 TO 20 KVA	8502.1120	8502.1120.2400	Europe	323	289
53.	21 TO 35 KVA	8502.1130	8502.1130.1800	Europe	214	191
54.	36 TO 50 KVA	8502.1130	8502.1130.1900	Europe	143	128
55.	51 TO 75 KVA	8502.1190	8502.1190.1300	Europe	143	128
56.	76 TO 350 KVA	8502.1200	8502.1200.1800	Europe	114	102
57.	351 TO 375 KVA	8502.1200	8502.1200.1900	Europe	86	77
58.	376 TO 500 KVA	8502.1310	8502.1310.1000	Europe	86	77
59.	ABOVE 500 KVA	8502.1310	8502.1310.1100	Europe	100	89

	Category-A: Caterpillar / Cummins / FG Wilson / Perkins / Sun Dynamac / FPT
	Category-B: SDMO

Note: If any generator is imported, fitted or equipped with a gas kit, then value thereof shall be enhanced by 15% over and above the customs values as determined above. This applies to all the above categories.

8. In cases where declared / transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

9. Validity of this Valuation Ruling: The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

10. Revision of the value determined vide this Valuation Ruling: A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation 7th Floor, Custom House, Karachi.

11. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in Para 7. HS codes are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating to importability or any other certifications required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

12. This ruling supersedes Valuation Ruling No. 356/2011, dated 19-07-2011 and its Amendment dated 29-08-2011 and Valuation Ruling No. 569/2013 dated 12-07-2013.

(DR.WASIF ALI MEMON)

Director

Copy for information to:-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta Peshawar / Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.